

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                      |   |                 |
|--------------------------------------|---|-----------------|
| A REVIEW OF THE RATES AND CHARGES    | ) |                 |
| AND INCENTIVE REGULATION PLAN OF     | ) | CASE NO. 90-256 |
| SOUTH CENTRAL BELL TELEPHONE COMPANY | ) |                 |

O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell") filed November 12, 1990, and modified December 17, 1990 pursuant to 807 KAR 5:001, Section 7, for confidential protection of South Central Bell's responses to Request Item D-Revenues, 1b, of the Commission's Order of October 25, 1990 on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

South Central Bell seeks to protect as confidential its responses to portions of Item D-Revenues, 1b, of the Commission's Order of October 25, 1990. The information sought to be protected consists of the net income realized by BellSouth Advertising and Publishing Corporation ("BAPCO") for the 12-month period ending June 30, 1990, BAPCO's net investment allocated to Kentucky operations as of June 30, 1990, and the return on investment as of June 30, 1990. In addition, confidential protection is also being requested for the embedded net income, combined net investment, and the resulting return on net investment as of June 30, 1990 of BAPCO and South Central Bell's Kentucky intrastate operations.

BAPCO is a corporation owned by BellSouth Enterprises, a wholly owned subsidiary of BellSouth Corporation, and a sister company of South Central Bell. Its primary business is to compile, publish, deliver and market telephone directories for the subsidiaries of its owners, including South Central Bell. The preponderance of BAPCO's revenues are derived from the services provided to or on behalf of affiliated telephone companies. South Central Bell maintains, as grounds for its petition, that disclosure of the information sought to be protected would enable competitors of BAPCO to determine the revenues and expenses associated with its operations in Kentucky.

The information sought to be protected is not known outside of South Central Bell and is not disseminated within South Central Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve the confidentiality of the information through all appropriate means.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. The information sought to be protected by South Central Bell in this petition satisfies neither requirement.

BAPCO, as a wholly owned subsidiary of BellSouth Corporation, provides services and products almost exclusively to the operating Bell subsidiaries. Because of this relationship with its customers, no other directory publishing firm would be able to capture any meaningful share of BAPCO's market and, as a consequence, BAPCO has no competition, and disclosure of the information would not be of benefit to anyone.

In addition, the information sought to be protected consists of two sums which are distilled from a broad spectrum of categories. They are therefore too general in nature to have any significant competitive value to anyone who might seek to compete with BAPCO. Therefore, no competitive harm has been established and the petition for confidential protection should be denied.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

1. The petition for confidential protection of South Central Bell's responses to Item D-Revenues, 1b, of the Commission's Order of October 25, 1990 be and it is hereby denied.

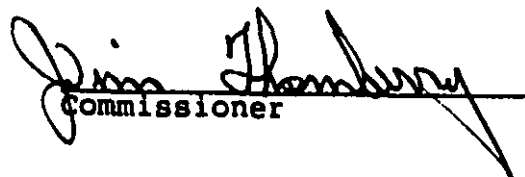
2. The information sought to be protected from disclosure shall be held as confidential and proprietary for a period of five working days from the date of this Order, at the expiration of which time it shall be placed in the public record.

Done at Frankfort, Kentucky, this 11th day of February, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

COMMONWEALTH OF KENTUCKY  
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O R D E R

This matter arising upon petition of South Central Bell Telephone Company ("South Central Bell") filed January 4, 1991 pursuant to 807 KAR 5:001, Section 7, for confidential protection of South Central Bell's responses to certain of the Attorney General's Data Request No. 1 dated November 21, 1990 and to the Attorney General's Data Request No. 2 dated December 3, 1990 on the grounds that public disclosure is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

South Central Bell seeks to protect as confidential its response to Item 8 of the Attorney General's Request No. 1 dated November 21, 1990 and its responses to Items 67, 88, 91, 92, 93 and 94 of the Attorney General's Request No. 2 dated December 3, 1990. Item 8 of Request No. 1 requests a detailed breakdown of the volumes of service and anticipated revenues projected by South Central Bell for the years 1990 through 1994 for certain specified services. Items 67, 88, 91, 92, 93 and 94 of the Attorney General's Request No. 2 request information concerning revenues and expenses associated with its Yellow Pages Services and the

services provided by BellSouth Advertising and Publishing Corporation ("BAPCO") in publishing, marketing and delivering Yellow Page directories.

The information sought to be protected is not known outside of South Central Bell and is not disseminated within South Central Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

The estimates of volumes and revenues of all South Central Bell services for the years 1990 through 1994 furnished in response to Item 8 of the Attorney General's Request No. 1 reveal South Central Bell's estimate of its future business results. It is information that forms a basis for future business plans and would be of great benefit to South Central Bell's competitors. Therefore, the information furnished in response to Item 8 of Request No. 1 should be protected from disclosure.

The information furnished in response to Items 67, 88, 91, 92, 93 and 94 of the Attorney General's Request No. 2 relates to the services provided by BAPCO in marketing, producing or delivering Yellow Page advertising. BAPCO is a corporation owned by BellSouth Enterprises, a wholly owned subsidiary of BellSouth Corporation, and a sister company of South Central Bell. As such, it forms a captive market for which BAPCO has no competition. Therefore, disclosure of the information is not likely to cause competitive injury, and the information is not entitled to protection as confidential.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

1. The information furnished by South Central Bell in response to Item 8 of the Attorney General's Request No. 1 dated November 21, 1990, which South Central Bell has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

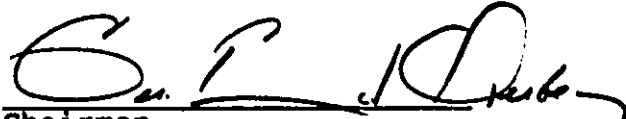
2. South Central Bell shall, to the extent that it has not previously done so, within 10 days of the date of this Order, file an edited copy of its response with the confidential material obscured for inclusion in the public record, with copies to all parties of record.


3. The petition for confidential protection of South Central Bell's responses to Items 67, 88, 91, 92, 93 and 94 of the Attorney General's Request No. 2 dated December 3, 1990 be and it is hereby denied.

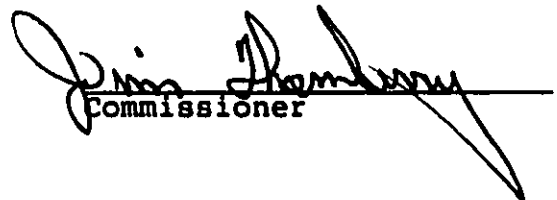
4. The information filed in response to Items 67, 88, 91, 92, 93 and 94 of the Attorney General's Request No. 2 shall be held as confidential and proprietary for a period of five working days from the date of this Order, at the expiration of which time it shall be placed in the public record.

Done at Frankfort, Kentucky, this 11th day of February, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director